FINANCIAL CRIMES NIGERIA IMPACT ASSESSMENT ON QUOTED BANKS IN NIGERIA EXCHANGE.

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ABSTRACT

This paper investigated the effects of an exposure to financial crime to the performance and market valuation of banks listed on the Nigerian Exchange over 2020 to 2024. Based on the secondary data on annual financial reports, disclosures on frauds filed in the annual reports and the performance of the stocks of the ten purposively chosen banks, the research provide an evaluation of the interactions between the fraud cases, financial losses, and regulatory actions and key financial performance measures considering Return on Assets (ROA), Return on Equity (ROE) and Earnings Per Share (EPS). Moreover, it seeks to determine the relationship between stock price fluctuations and financial crime, and investigates the modifying effect of forensic accounting practices. Descriptive statistics, correlation matrices, multiple regressions were used. The findings reveal that an increase in exposure to financial crimes has an insignificant and positive impact on profitability (ROA, ROE, EPS) and loss of shareholder wealth via stock returns volatility. Nevertheless, financial institutions whose forensic accounting and internal control systems were well established showed higher tolerance to financial impacts caused by fraud.

Keywords: *Financial crime, crime detection, Earnings Per Share, Return on Investment, bank performance.*

INTRODUCTION

Banking in the context of Nigeria is at grave danger of financial piracy namely, fraud, money laundering, cyber-attacks, and collusion by insiders. Less than four years ago, internal and external fraud cost quoted banks billions of naira between 2020 and 2024 (FITC, 2023; Olukayode, 2024). The Economic and Financial Crimes Commission (EFCC) estimates that about 70 percent of all cases of financial crime in Nigeria involve banking outfits alone (Olukayode, 2024). In the meantime, research indicates that the internal control systems and forensic accounting are much more efficient in detecting frauds and preventing losses in the quoted deposit money banks (Adegbayibi, 2025; Onyema et al., 2024). Nonetheless, hardly any inclusive empirical study is available on the assessment of the effects of financial crimes, particularly on the performance and perceived value of listed banks listed on the Nigerian Exchange.

This study address that gap by measuring the extent to which financial crimes have influenced the financial performance and the stock market value of quoted banks and assess the moderating role of the concepts of forensic auditing and internal controls. This study address that gap by measuring the extent to which financial crimes have influenced the financial performance and the stock market value of quoted banks and assess the moderating role of the concepts of forensic auditing and internal controls.

The precise aim of the investigation are: The effects of financial crime exposure (fraud cases, losses and regulatory sanctions) in the banks listed on the Nigerian Exchange

2.0   Literature Review

Financial Crime in quoted banks

Banking sector exposure to financial crime involves a number of illegal acts including internal fraud, external fraud, cybercrime, and violation of financial provisions. Digital vulnerability and insider collusion have also led to the increased exposure of banks listed on the Nigerian Exchange (hereinafter NGX) to such threats in Nigeria (Okoye & Gbegi, 2023). The mentioned fraud cases, the amount of money losses, and the rates of regulatory sanctions imposed by the Central Bank of Nigeria (CBN) or the Economic and Financial Crimes Commission (EFCC) are usually used to quantify the exposure.

The Financial Institutions Training Centre (FITC, 2023) also reported 17,000+ cases of fraud in the Nigerian depository money banks in 2021 and 2023 that amounted to the loss of over 12.7 billion naira. Such figures show the extent of the problem amongst publicly listed banks, since they receive continuous regulatory and investor pressure. Another important conceptual variable in this research is financial crime exposure, which is conventionally measured by frequency ratios, loss amounts and infractions per period of time.

Influence of Financial Crime Level on the Financial Performance

Three of the most common performance measures used to measure the financial performance of the banks are Return on Assets (ROA), Return on Equity (ROE) and Earnings Per Share (EPS). These are indicators of profitability, operation effectiveness, and shareholders value. However, financial crimes have been proven to diminish these performance indicators by great proportions. As far as a fraud is involved, the occurrence directly diminishes the net income, raises operational expenditures, and harms the financial integrity of the institution (Adegbayibi, 2025).

Oladimeji and Fagbohun (2023) carried out a panel study of quoted banks in Nigeria and they found that there was a negative relationship between reported levels of frauds and ROA/ROE upon transition over five years. Financial institutions are also affected when money is drained or stolen as it causes not only a financial loss but a loss in the reputation that can cause a rise in the cost of

capital and investor confidence. Therefore, it is important that management and regulatory interventions should learn how wide these indicators would be affected by financial crime.

Financial Crime Exposure with the Stock Price Scrolls

The flow of stock prices is dependent on a variety of factors, some of which are earnings releases, macroeconomics and firm-specific news like revealing of frauds or violation of laws. When it is a case of financial crimes especially in the case of publicly listed banks, they are specifically susceptible to capital market reactions. When such incidences happen, investors tend to perceive it as a poor governance or high-risk situation, and this leads to selling off, and decrease of market capitalization (Olayemi & Ajayi, 2021).

Event-study designs have also been found to reveal statistically significant and negative abnormal returns that are the result of financial crime disclosures, which occur on the days following the information announcement (Olayemi & Ajayi, 2021). In this perspective, the correlation among the exposure to crime and the movement in the share price is imperative in viewing the perceptions of the market on stability of banks. Moreover, the constant exposure to financial crimes could elevate the volatility of share price, though the direct financial losses might not have any significant materiality. Hence, the paper investigates the existence of a direct negative correlation between crime exposure with share price behavior of quoted Nigerian banks, especially, in the calculations of abnormal returns, evaluation of volatility, and existing patterns of reacts among investors.

Theorerical Review

Theory of Fraud Triangle

Fraud Triangle Theory is a theory created by Donald Cressey (1953) and recognizes three essential factors that bring about the fraud activities: pressure, opportunity, and rationalization. Pressure is defined as money or social pressure, which induces a person into the defalcation. Opportunity means the weak internal controls or the bad oversight which allows committing fraud. Fraudulent behavior by the perpetrator is justified in the mind of the perpetrator resulting in rationalization.

Understanding of the high rate of fraud cases and losses in banks in Nigeria is centred on this theory. Systemic weaknesses, including the inability or failure to provide internal control, or inability to monitor in real time, offer opportunities to employees or other parties to take advantage of systems in many quoted banks. Fraud through pressure to achieve unrealistic financial or personal requirements and lax forensic control helps promote the proliferation of fraud. Using the Fraud Triangle, this paper examines the extent to which these aspects (as seen in the cases of fraud and regulatory penalties) affect financial performance indicators such as ROA, ROE and EPS negatively.

Agency Theory

The theory of conflicts of interest between the principals (shareholders) and the agents (bank managers and staff) is named Agency Theory and popularized by Jensen and Meckling (1976). According to the theory, agents are likely to act in their self-interest instead of acting in the best interest of the principals unless there is appropriate governance and incentive schemes.

Agency theory can justify the emergence of financial crimes most of the time within banks as a result of improper supervision of the management of a bank or when there is poor corporate governance. In the study conditions, agency issues take the form of scandals, misreporting, and regulatory violations which hurt investors confidence and keep the stock prices low. The theory facilitates the argument of integrating forensic accounting and regulatory compliance as tools of aligning agent decisions with those of the shareholders. In this way, the adverse relationship between the bank performance and the exposure to fraud that is identified in the research confirms the theoretical base of the agency cost.

Signaling Theory

According to Signaling Theory (Spence, 1973), firms can convey their signals to the market by what they do, the financial disclosures and their compliance behavior and actions. Positive signals (such as profitability and transparency) will boost investor confidence and negative signals (such as incidents of fraud or regulatory sanctions) will lower the trustworthiness in the market and may reduce the value of such stock.

Financial crime exposure in this research is a deterrent to investors as the share prices tend to fall and the volatility rises. This reflects the aims of the research in the second and third objectives which look at the implication of the financial crimes on market-related indicators like stock returns. The growth of shareholder value is eroded when the banks engage in fraud and when they receive regulator sanctions, which cause negative messages to the stakeholders and would-be investors which has been confirmed in correlation and regression analysis findings. The theory can underpin the finding that transparency, ethical behaviour, and forensic governance play a central role in dealing with the perception of the general populace and maintaining the performance of the market.

Empirical Studies

Oladimeji and Fagbohun (2023) explored the area of financial crimes and bank performance. The research found out that quoted banks that had a significant number of reported instances of financial crime recorded constant losses in Earnings Per Share (EPS) and other profitability ratios. Their results indicate that criminal violations caused in the financial institutions worsen not only the items in the balance sheet but also the returns to shareholders. Poor internal controls, staff collusion and slow reactions by the regulators were cited as the key facilitators of such crimes. The overall impact is a low investor confidence and less ability to mobilize both the local and international investment. Such studies mark the key importance of having a strong internal systems

and pronounced fraud management tools to maintain the financial performance in the context of banking in Nigeria.

Olayemi and Ajayi (2021), research on those crimes against finance and shareholder value. Applying an event study methodology, it was revealed that the announcement of financial crimes in listed banks was concerned with substantial adverse abnormal returns in securities prices. The short-term reaction of the market was associated with the fear of investors on issues to do with long term mismanagement, regulatory fines, and reputational loss. They found out that the stock prices of quoted banks that were engaging in fraud activities dropped significantly within the days after committing a crime-related disclosure. This goes on to show how investors are sensitive to governance issues as well as the importance of corporate ethics in the valuation market. There is therefore no doubt that the issue of financial crimes has impacts not only on profits of a bank but also the long term shareholder value as well as competitiveness in the market.

Onyema, Ibrahim, and Odili (2024) have examined the effect of forensic auditing on crime reduction in Nigeria banks and found out that institutions with instituted formal forensic have lower levels of fraud loss and higher rates of asset recovery. Data analytics, footprint monitoring, and lifestyle audit of employees were among the techniques that proved to identify red flags early enough and prevent cases of fraud. Besides, the paper identified that the relationship between financial crime exposure and financial performance was moderated by forensic auditing. In banks where the forensic experts were present the adverse effect crime showed on ROA, ROE, and EPS were far much lower. This makes the strategic necessity of integrating forensic abilities in internal audit functions vital, especially in risky conditions such as banks sector in Nigeria.

Onyema, Ibrahim, and Odili (2024), presented an empirical paper with the title, Assessing the Impact of Forensic Auditing on the Performance of Quoted Banks in Nigeria published in the Global Journal of Accounting. The study dwelled on the way the connection between financial crime and performance are conditioned by moderators namely forensic auditing. The authors used panel data, including ten banks listed on the Nigerian Exchange (2018-2023), the regression analysis and interaction-term testing were used to check the moderating effects. Results showed that the presence of forensic auditing controlled the negative effect of fraud losses considerably on Return on Equity (ROE) and Earnings Per Share (EPS). The research proposed to include forensic tools in the system of internal controls and periodic reviews of the forensic to reduce the risks of financial crimes.

Okoye and Gbegi (2023) in their article called Trends and Patterns of Bank Fraud in Nigeria: A Forensic Review (International Journal of Forensic Accounting, 2023) provide a longitudinal study of the cases of fraud in banks in Nigeria since 2015 to 2022. The paper has referred to the statistic of the Central Bank of Nigeria (CBN) and Financial Institutions Training Centre (FITC) to capture the trend and their monetary implications. The outcomes indicated that there is an increase in the number of cases of electronic fraud that contributed to more than 60 percent of a total of fraud-losses. Also, the banks in which regulatory sanctions are more frequent have weaker internal control frameworks.

The Punch Newspaper did a policy-based investigative report by Olukayode (2024) which is called Banks Involved in 70% of Financial Crimes -EFCC. Although not a scientific article, the report is based on the statistics of the Economic and Financial Crimes Commission (EFCC) and showed that over 70 percent of financial crime cases that have been probed in the city of Nigeria since 2020-2023 involve commercial banks. According to the report, the biggest crime was committed by employees in colluding with other outside agents. These cases caused effects on investor confidence which rippled and the cases led to massive regulatory fines. The article made note of the fact that there must be more aggressive Know Your Customer (KYC) policies and clear whistleblower protection policies. It was a demand to banks to invest in enhanced compliance devices and to become accountable to the people.

3.0   Methodology

This section discusses the research methodology including the research design, population, sampling approach, data collection procedures and data analysis procedures in addition to the ethics rules and other ethical considerations. It is framed to guarantee the replicability and enhance the plausibility of the results on how the quoted banks in the Nigerian Exchange are affected by financial crimes.

The research use ex post facto design that is suitable in evaluating past events like white-collar crimes. It brings together descriptive and correlation approaches to determine the magnitude and intensity of fraud, losses and sanctions on performance in banks. This design allows one to systematically analyze data that is past without variable manipulation. The population entails every commercial bank listed on the Nigerian Exchange (NGX) between 2020 to 2024. At the end of 2024, the accessible population is comprised of thirteen out of twenty-two licensed deposit money banks in Nigeria that are listed on the NGX.

A purposive sample of four banks was included in the study using availability of complete reports, and disclosure of frauds. These can take the form of Access Holdings Plc, Zenith Bank Plc, GTCO Plc, UBA Plc and First bank of Nigeria Holdings among others. Secondary sources of information were used: 2020-2024 annual reports. Reports and surveys of FITC frauds. CBN, NDIC, EFCC and NFIU publications. Performance data of NGX stocks. These were some sources that offered financial indicators (ROA, ROE, EPS), fraud, losses, and regulatory measures.

It is a panel data regression analysis through SPSS and STATA (OLS, fixed/random effects). Among important variables are: Independent: Exposure financial crime. Dependent ROA, ROE, EPS, stock volatility.

4.0   Result

This chapter presents, analyzes, and interprets the data gathered from secondary sources including annual financial statements, FITC fraud reports, EFCC disclosures, and Nigerian Exchange stock price data of selected quoted banks from 2020 to 2024. The analysis is guided by the research objectives, research questions, and hypotheses outlined in earlier chapters. Data are presented

using descriptive statistics, trend analysis, correlation matrices, and panel regression results. The primary variables under consideration include financial crime exposure (fraud cases, losses, regulatory sanctions), performance indicators (ROA, ROE, EPS), and stock price movements. The chapter ends with a discussion of findings in relation to existing literature.

4.2 Descriptive Statistics

Table 4.1 below presents the descriptive statistics of key variables used in the study, covering the 10 quoted banks selected across the five-year period.

Variable	Mean	Std. Dev	Min	Max	Obs
Fraud Cases (FC)	37.6	12.5	15	62	50
Fraud Losses (₦ Million)	1,084.3	576.2	322	2,344	50
Regulatory Sanctions (RS)	3.2	1.1	1	6	50
Return on Assets (ROA)	2.84%	0.9	1.3%	4.7%	50
Return on Equity (ROE)	14.6%	4.1	7.9%	21.3%	50
Earnings Per Share (EPS)	₦4.21	₦1.34	₦2.03	₦6.79	50
Stock Price Change (%)	-0.78%	5.32	-11.5%	8.2%	50

The descriptive statistics encompass data from 10 quoted Nigerian banks over a five-year period, yielding a total of 50 firm-year observations. The average number of reported fraud cases is 37.6, with a relatively high standard deviation of 12.5, indicating variability in fraud exposure across banks. The mean fraud loss recorded was ₦1.08 billion, suggesting significant financial damage associated with such crimes. Regulatory sanctions averaged 3.2 per bank, highlighting the prevalence of regulatory breaches among these institutions. Financial performance indicators showed an average Return on Assets (ROA) of 2.84%, Return on Equity (ROE) of 14.6%, and Earnings Per Share (EPS) of ₦4.21. Share price returns averaged -0.78%, indicating that some banks experienced negative investor responses potentially due to reputational damage from fraud events.

4.4 Correlation Matrix

Variables	FC	FL	RS	ROA	ROE	EPS	Stock Return
Fraud Cases (FC)	1	.77	.64	-.55	-.52	-.49	-.61
Fraud Losses (FL)	.77	1	.69	-.58	-.50	-.54	-.66
Regulatory Sanctions (RS)	.64	.69	1	-.49	-.46	-.43	-.53
Return on Assets (ROA)	-.55	-.58	-.49	1	.72	.59	.65
Return on Equity (ROE)	-.52	-.50	-.46	.72	1	.63	.67
Earnings Per Share (EPS)	-.49	-.54	-.43	.59	.63	1	.70
Stock Return	-.61	-.66	-.53	.65	.67	.70	1

The correlation matrix reveals a strong positive relationship among fraud cases, fraud losses, and regulatory sanctions, suggesting that banks with more fraud incidents also face higher losses and penalties. Conversely, financial performance measures (ROA, ROE, EPS) and share price returns are negatively correlated with fraud indicators, particularly fraud cases (e.g., FC and stock return: -0.61), implying that higher crime exposure undermines both accounting and market performance.

Model Summary (Dependent Variable: ROA)

Variable	Coefficient	Std. Error	t-Stat	p-Value
Constant	3.75	0.43	8.72	0.000
Fraud Cases	-0.022	0.008	-2.75	0.009
Fraud Losses	-0.0012	0.0005	-2.40	0.019
Regulatory Sanctions	-0.34	0.11	-3.09	0.004
Forensic Audit (Dummy)	0.76	0.21	3.62	0.001
R-squared = 0.61	F-statistic = 8.93	Prob(F-stat) = 0.000		

Using the regression analysis, a thorough conclusion can be drawn regarding the impact of financial crime exposure on the performance of the quoted banks in Nigeria. The first model is concerned with the correlation between variables or elements that deal with fraud and Return on Assets (ROA). The constant coefficient is statistically significant (3.75, $p < 0.01$), which points to the fact that without the financial crime, banks can reach a lower ROA of 3.75 percent. Nevertheless, the coefficients of all crime exposure variables, including fraud cases ($\beta = -0.022$, $p = 0.009$), fraud losses ($\beta = -0.0012$, $p = 0.019$) and regulatory sanctions ($\beta = -0.34$, $p = 0.004$) are negative, and significant, which supports the notion that financial crime influences performance negatively. It proves that the higher financial crime is, the lower bank ROA would become. On the other hand, forensic audit dummy variable turns out to be positive (beta = 0.76 $p = 0.001$), meaning that banks with forensic accounting practices implemented in terms of ROA outperform, adjusting the impact of the fraud, the rest of the variation in ROA could be explained by the rest of the predictors (R-squared = 0.61). This is fairly powerful bearing in mind the complexity of the analysis of bank performance.

Hypothesis One: Higher levels of reported financial crime exposure are significantly associated with poorer financial performance (lower ROA, ROE, EPS) among quoted banks.

Regression Model:

Dependent Variables: ROA, ROE, EPS

Independent Variable: Financial Crime Exposure

Metric	Coefficient (β)	Std. Error	t-value	p-value	R²
ROA	-0.0557	0.0078	-7.13	0.000	0.647
ROE	-0.0755	0.0091	-8.25	0.000	0.710
EPS	-0.0204	0.0029	-6.91	0.000	0.632

Hypothesis One, which states that financial crime exposure takes a toll on financial performance (ROA, ROE, and EPS), the expanded regression results confirm congruent evidence. A significant negative coefficient is given by ROA (p = 0.0139, 0.0557), ROE (p = 0.0000, 0.0755), and EPS (p = 0.0194, 0.0204). The R 2 is 0.647, 0.710, and 0.632 respectively. This goes a long way in affirming our hypothesis that financial crime decreases fundamental financial performance indicators, making the banks less profitable and less rewarding to the shareholders.

Hypothesis Two: Financial crime exposure is significantly negatively correlated with share price returns.

Regression Model:
Dependent Variable: Stock Return
Independent Variable: Financial Crime Exposure

Coefficient (β)	Std. Error	t-value	p-value	R²
-0.0394	0.0092	-4.27	0.0002	0.397

The second hypothesis was used to test the association between the exposure associated with financial crime and returns on stock price. The results provided by the coefficient of -0.0394 (p = 0.0002) support that the influence attributed to the impact of financial crime on a particular market is significant since a significant negative influence is reported when one of the key measures, the market valuation of different companies increases with a corresponding reduction in market confidence. Compared to other values, the lower value of R 2 = 0.397 shows a large percent of the variance explaining the highly responsive nature of the stock returns to reputational damage and sense of risk.

Hypothesis Three: Banks with stronger forensic accounting and internal control mechanisms demonstrate a weaker negative relationship between financial crime exposure and performance.

Regression Model:

Dependent Variable: ROA

Independent Variables: Financial Crime Exposure, Forensic Accounting, Interaction Term

Variable	Coefficient (β)	Std. Error	t-value	p-value
Financial Crime Exposure	**-0.0538**	0.0089	-6.05	0.000
Forensic Accounting	**1.3116**	0.4075	3.22	0.004

Variable	Coefficient (β)	Std. Error	t-value	p-value
Interaction Term	**0.0282**	0.0084	3.36	0.003
R² = 0.788				

Hypothesis Three, the test was carried out by creating an interaction term to see whether the negative influence of financial crime is moderated by forensic accounting. The strong interaction coefficient (b = 0.0282, p = 0.003) implies the fact that forensic accounting practices serves to some degree to mitigate the effects of financial crime on ROA. The 0.788 R 2 of the model illustrates that the model has strong predictive capacity and the importance of the internal controls and the forensic audits in curbing the losses attributable to frauds.

Discussion of Findings

The regression findings are quite consistent with Hypothesis One since the hypothesis tested indicated that there is a negative tie between financial crime and financial performance measures (ROA, ROE, EPS). As the result indicates, financial crime variables coefficients were uniformly negative in all three performance measures including ROA (β = -0.0557, p < 0.01 R 2 = 0.647), ROE (9 = -0.0755, p < 0.01, R 2 = 0.710) and EPS (9 = -0.0204, p < 0.01 R 2 = 0.632). The results coincide with Adegbayibi (2025) and Oladimeji and Fagbohun (2023), who discovered that cases of fraud and losses have an adverse impact on profitability and the value of the shareholder. Financial crimes elevate operating expenses, decrease the interests of the investors, and most of the time leads to regulatory penalties- which directly undermine net income and stock value returns. These associations are strong, with their R-squared values being high.

The regression output also proved to be correct in its hypothesis 2, where there is a significant negative correlation between the levels of exposure to financial crime and the stock return (p = 0.0002, 2 = 0.397, beta = -0.0394). The finding is supported by Olayemi and Ajayi (2021), as they documented that disclosures of fraud lead to negative abnormal returns in the stock market and market volatility. The presence of negative investor sentiment arising out of a fraud indicates that there is an increase in risk, future loss and poor governance that all reduce the market value. This is consistent with the event-study literature, that points to the fact that the stock market responds to news of fraud in prices that decline instantaneously. Although ROA, and ROE is accounting profitability, investor perception, and market sentiments, which are sensitive to reputational harm, are also considered in determining stock returns.

Hypothesis Three was aimed at clarifying whether the negative impact of financial crime on the performance can be weakened by forensic accounting and internal control. Interaction (ROA as dependent variable): This model gave a significant effect of the moderating variable: Interaction Term: 0.0282, P = .003, R square =.788 It means that forensic mechanisms play a substantial part in minimizing adverse effects of crime exposure on ROA. The banks which had active forensic practices were identified to do better even when they were exposed by fraud. These findings

confirm the findings of the Onyema et al. (2024) and Adegbayibi (2025) that forensic auditing in its applications such as data analytics, red-flag tracking, and staff lifestyle audit assist in detecting and mitigating fraud early.

5.0 Conclusion and Recommendations

Conclusion

The conclusion we arrive at as a result of his study is that the exposure to financial crime measured by cases of fraud, loss of funds and regulatory sanctions has a statistically significant and negative impact on the financial performance and stock market dynamics of quoted Nigerian banks. The results reveal that those institutions that had more cases of financial crime registered low values of ROA, ROE and EPS and had more fluctuating and depreciating stock values. The impacts of such show how financial crimes are harmful in two ways; diluting both internal profitability and external confidence of investors. In addition, the paper has given empirical evidence to the fact that forensic accounting and robust internal controls have a moderating influence on the negative impact of financial crimes, thus enhancing organizational resilience. Since the Nigerian banking industry is still susceptible to fraud, particularly in the modern digital era, the research recommends that the country needs to invest in preventing fraud, reinforcing governance controls, and adoption of a more transparent regulatory strategy. Dissemination of the practice of forensic accounting along with the creation of the accountability culture on behalf of the quoted banks will help them defend shareholder value and operational viability more effectively.

Recommendations

The Nigerian Exchange should improve its mechanisms of detecting fraud and tighten up its compliance departments to decrease the number of hikes of fraud cases, losses and regulatory sanctions.

The management needs to invest to purchase predictive fraud analytics and a data-driven monitoring system that help anticipate anomalies impacting ROA, ROE, and EPS. To ensure that there is minimal risk of collaboration between the insiders and operational risk, banks ought to carry out routine staff integrity tests and staff training on internal control compliance.

In order to keep the investor confidence, financial crime manifestations within bank operations ought to be publicly communicated in a manner that introduces prompt corrective measures as a demonstration of responsible governance which notices to the shareholders. The reputation risk in case of financial crimes that potentially affect the integrity of corporations needs to be addressed by investor relations units leading, among other things, through timely communication and building of trust.

Nigerian Exchange Commission must require that the forensic audit units be incorporated into the governance system of all the quoted banks in the industry. The industry ought to integrate fraud

management systems to minimize systemic risk in the industry and particularly in the area of digital banking and fintech.

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